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Korea's In-Quota Tariffs for the 2nd Half of 2009

Report Categories:

Agricultural Situation

Approved By:

Lloyd S. Harbert

Prepared By:

Sunyoung Choi / Susan B. Phillips

Report Highlights:

On June 30, 2009, the Ministry of Strategy and Finance (MSF) of the Republic of Korea announced changes of in-quota tariffs for 2nd half of 2009 (July 1, 2009 – December 31, 2009). MSF restored the in-quota tariffs for 14 agricultural tariff rate quota (TRQ) items and 24 excluded items (wheat flour, wheat for milling, coffee beans, casein for coffee creamer, etc.) to the 2008 level. The government had lowered tariffs on the items in the first half of the year (January 1 - June 30, 2009) to prevent inflation, as import prices for oil and grains had increased dramatically.

General Information:

On June 30, 2009, the Ministry of Strategy and Finance (MSF) of the Republic of Korea announced changes of in-quota tariffs for 2nd half of 2009 (July 1, 2009 – December 31, 2009). MSF restored the in-quota tariffs for 14 agricultural tariff rate quota (TRQ) items and 24 excluded items (wheat flour, wheat for milling, coffee beans, casein for coffee creamer, etc.) to the 2008 level. The government had lowered tariffs on the items in the first half of the year (January 1 - June 30, 2009)

to prevent inflation, as import prices for oil and grains had increased dramatically.

MSF has also reduced the number of quota tariff items from 75 to 45. However, raw materials (cotton seed waste, manioc pellets, whey, distilling waste and beet-pulp) for animal feed are still included and the in-quota tariffs for these items were increased in the 2nd half of 2009.

The Korean government uses Tariff Rate Quotas (TRQs) as flexible tax schedules and the items on this pre-selected list (mostly sensitive agricultural products) can be added or deleted and the tariff rates can be lowered or increased by up to 40 percent. In reality, this import control system provides an opportunity for access to the agricultural market by allowing imports under a low duty.

In addition to TRQs, the Korean government controls market access through adjustment tariffs, CMAs (current market access) and MMAs (minimum market access).

Table 1. Tariff Rate Quota Quantities and In-quota rates for July 1 – December 31, 2009 Period (Quota Tariff Schedule for July 1 – December 31, 2009)

HS No.	Commodity	Applied Tariff 1/	Quota Tariff Rate (%)			
			2009 1st half 2/	2009 2nd half 3/	Changes	2009 Quota (MT) 3/
0404	Whey for feed 0404 10	20	5	9	+ 4	19,000
0714	Manioc chips for alcohol 0714 10	20	6	10	+ 4	144,000
0714	Manioc chips for feed 0714 10	20	6	Deleted	N/A	N/A
0714	Manioc chips for starch 0714 10	20	6	Deleted	N/A	N/A
0714	Manioc pellets for feed 0714 10	3	Zero	2	+ 2	450,000
0901	Coffee, not roasted 090111 090112	2	Zero	Deleted	N/A	N/A
1001	Wheat for milling 1001 90	1.8	1	Deleted	N/A	N/A
1002	Rye for seed 100200	3	Zero	2	+ 2	9,800
1003	Malting barley 1003 00	30	6	15	+ 9	23,000
1003	Unhulled barley for feed 1003 00	5	Zero	Deleted	N/A	N/A
1004	Oats for feed 100400	3	Zero	Deleted	N/A	N/A
1005	Maize for feed 1005 90	1.8	Zero	Zero	-	4,500,000
1005	Maize for processing 1005 90	3	Zero	1	+ 1	970,000
1101	Wheat flour 110100	4.2	2	Deleted	N/A	N/A
1107	Malt for beer brewing 1107 10 1107 20	30	8	15	+ 7	82,000

1108	Manioc (Cassava) starch for cardboard paper 1108 14	8	4	Deleted	N/A	N/A
1201	Soybean 1201 00	3	1	Zero	-1	600,000
1207	Cotton seeds for feed 1207 20	3	Zero	2	+ 2	80,000
1214	Alfalfa meal & pellets for feed 1214 10	1	Zero	Deleted	N/A	N/A
1214	Alfalfa bale for feed 1214 90	1	Zero	Deleted	N/A	N/A
1214	1214 90	20				
2308	Fodder roots and other vegetables for feed 2308 00	5	2	3	+ 1	415,000 4/
1507	Soybean oil for biodiesel production 1507 10 1507 90	8	2	Deleted	N/A	N/A
1517	Margarine; edible mixtures of animal or vegetable fats & oils 1517 90	8	4	Deleted	N/A	N/A
1518	Animal or vegetable fat for feed 1518 00	8	3	Deleted	N/A	N/A
1518	Animal or vegetable fat for biodiesel production 1518 00	8	3	Deleted	N/A	N/A
1701	Raw sugar 1701 11 1701 12	3	Zero	Zero	-	Unlimited
1701	Refined sugar 1701 91 1701 99	40	35	35	-	Unlimited
1702	Lactose only 1702 11 1702 19	20	10	Deleted	N/A	N/A
1703	Molasses for feed 1703 10 1703 90	3	Zero	Deleted	N/A	N/A
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol 2207 10	10	5	Deleted	N/A	N/A
2302	Wheat pellets for feed 2302 30	2	Zero	Deleted	N/A	N/A
2303	Beet-pulp, bagasse and other waste of sugar manufacture for feed 2303 20	5	1	3	+ 2	100,000
2303	Brewing or distilling dregs & waste for feed	5	1	2	+ 1	465,000

	2303 30					
2304	Soybean Oil-cake for feed 2304 00	1.8	Zero	1	+ 1	1,350,000
2306	Cotton seed oil cake for feed 2306 10	2	Zero	Deleted	N/A	N/A
2308	Cotton seed waste for feed 2308 00	5	2	3	+ 1	55,000
3501	Casein, caseinates for coffee creamer 3501 10 3501 90	8	3	Deleted	N/A	N/A
4101	Raw hides & skins of bovine 4101 20 4101 50 4101 90	1	Zero	Deleted	N/A	N/A
4102	Raw skins of sheep 4102 10 4102 21 4102 29	1	Zero	Deleted	N/A	N/A
4103	Other raw hides & skins 4103 20 4103 30 4103 90	1	Zero	Deleted	N/A	N/A
4104	Tanned or crust hides and skins of bovine 4104 11 4104 19 4104 41 4104 49	5	2	Deleted	N/A	N/A
4408	Sheets for veneering for plywood of thickness exceeding 0.4 mm 4408 10 4408 31 4408 39 4408 90	3	Zero	2	+ 2	Unlimited
4411	Fiberboard of wood 4411 12 4411 13 4411 14	8	5	5	-	11,000 m3
5205	Cotton yarn 5205 12 5205 32	4	Zero	2	+ 2	16,000

Source: The Ministry of Strategy and Finance (MSF)

Note:

1/ Base Tariff Rate or WTO Tariff Rate (WTO Appendix 1-B)

2/ January 1 – June 30, 2009 period

3/ July 1 – December 31, 2009 period

4/ Consists of 385,000 tons for feed and 30,000 tons for mushroom growing